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ABSTRACT

This paper summarizes the specialized requirements for management information of boards of trustees of theological seminaries. The well-designed information system is seen to take advantage of member skills, board structure, agenda setting, and both formal and informal information flows. Inadequacies of poorly-designed systems include: (1) administrative versus governance perspective; (2) lack of strategic relevance; (3) data overload; (4) inappropriate levels of detail; (5) individual trustee versus whole board education; (6) disregard for trustee time constraints; (7) reliance on the anecdotal and episodic; and (8) inadequate guidance for action. Board information systems aimed at correcting these inadequacies are addressed in terms of service mix, service quality, resource acquisition, resource management, and institutional mission. It is suggested that reports, both quantitative and narrative, will be useful to the board to the degree that they display sensitivity to values and mission, focus on strategic issues, selectivity in structure, use of norms and comparative data, and graphical displays. The timing of a board's consideration of its own process is also discussed. Appendices provide an outline of strategic decision making and a format for evaluation of board information systems. (BF)

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ED 412 839

Association of Governing Boards of Universities and Colleges

Information Systems for Boards of Theological Seminaries

By Lawrence M. Butler

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Introduction

Trustees of America's more than 200 theological seminaries face a host of "exquisite problems." (1) They must find the wisdom and the capacity to lead their institutions in a time of great economic stress and spiritual uncertainty. Never before in the history of theological education have the nation's seminaries been more besieged by difficult questions of identity and purpose. Ironically, at a time of resurgence in religiosity and spiritual hunger in our society, a host of new expectations and demands are being placed upon seminaries--Catholic, Protestant, and Jewish--that many are ill-equipped to cope with. Remaining true to tradition and historical denominational mission while adapting to these new expectations is a daunting challenge.

Seminary trustees have long been expected to embody the faith, vitalize the mission, and articulate the vision for their institutions. As collective entities, boards of trustees must build a sense of mutual trust in order to "hold in trust" the futures of their institutions. To perform this duty, seminary boards need support in their efforts to build collective trust and a commitment to the vocation of trusteeship. They also need the practical tools that will empower them to carry out their governance responsibilities.

Confronted by myriad choices and often conflicting messages from multiple constituencies--both internal to the seminary and its denominational sponsors and in the society at large--seminary boards have a particularly compelling need for better ways to make sense of the information they receive. They need the governance equivalent of a Management Information System--a system of reports and other information-sharing mechanisms that is specifically tailored to their unique role and is supportive of the kinds of decisions only they are entrusted to make.

The purposes of this paper are four-fold:

1. Present a rationale for why boards of trustees need to have their information requirements met in a special way.
2. Identify the characteristics of a specialized "board information system."
3. Propose a generic structure for governance information that can be adapted to the specific needs of seminary boards.

4. Describe a step-by-step process for boards to design and implement their own information systems.

Why Do Boards Need Their Own Information Systems?

Boards of trustees need their own specialized information systems because:

1. Boards are unique organizational entities.
2. Information is a critical tool for board success.
3. Information for board use is often inadequate.

1. Boards are unique organizational entities.

If boards of trustees were not different in substantively important ways from other components of the institutions they govern, there would be little reason to consider the creation of specialized information systems for their use. But boards <u>are</u> different. And the ways in which they are demand a distinctively different approach to meeting their information needs.

Custodians of Institutional Values/Mission

Like the DNA in the nucleus of the cell, the board is where the institution's "genetic code" of values, philosophy, and mission is maintained and nurtured--eventually to be passed along intact (or appropriately adapted to critical environmental changes) to successive generations of institutional leadership.

Institutional values, philosophy, and mission must be reflected in the kinds of reports the board routinely receives, thereby enabling the board to continually assess the institution's mission-responsiveness.

Responsible for Overall Strategic Success

The board's ultimate fiduciary responsibility distinguishes it from all other institutional players. Yet it is the administration, in collaboration with faculty, that largely develops the strategic plans that determine institutional success. The board must be able to take informed ownership of such plans so that it truly can be responsible.

The critical factors determining strategic success need to be made explicit in the choice of performance indicators reported to the board.

Lacking Clear Organizational Presence

Unlike other institutional components and constituencies--administration, faculty, staff, students, alumni, and so forth--the board "exists" only when it meets. In a sense, it is an "ad-hocracy" with no clear, ongoing organizational presence of its own.

The board must be seen as actively taking responsibility for defining its information needs. By saying: "This is the information we need; this is our system," the board transforms such information from something other constituencies make available into an assertion of the board's own role and responsibilites in the life of the institution.

Composed of Volunteers with Limited Time

Most board members have full-time commitments outside their board service. Time is their scarcest commodity. Thus, particular attention must be paid to the most productive use of board time. Maintaining the long-term interest and commitment of the most effective board members requires this.

All aspects of the information to which the board is exposed--from the choice of data to the design of indicators and the formats in which data are displayed--must be examined with an eye toward relevancy, efficiency and communicative power.

Functioning Only as a Group

Legally, the only governance actions that count are those that are voted upon when the board meets and a quorum is present. Thus, the whole board shares responsibility for effective and ineffective performance. A "whole board" sensibility is required for proper institutional oversight.

The board's information must be carefully organized and integrated into the committee structure and agenda-setting process to ensure that the full board shares a common understanding of key facts about the institution and its performance.

To put it simply, boards of trustees are unique within their institutions in two fundamental ways--one relating to

their institutional role and the other to their operational dynamics. They have a special responsibility regarding mission and strategy that shapes the kinds of information they need. And as collective entities of time-constrained volunteers, they have special requirements for processing that information when it is received. Further reinforcing the value of appropriately designed information for the board is the need to deal with a number of tensions characteristic of boards.

Individual Achievement Outside the Board Versus Collective Underachievement as a Board

Most board members are selected for their accomplishments and success in realms beyond the board and institution. Individually, they are acutely affected by the inability of the board as a whole to function with the same degree of effectiveness they are used to in their outside professional lives. Some blame their own lack of specialized knowledge (about theology or curriculum design, for example) and limit their participation.

An information system built upon the whole board's definition of its needs and upon a shared articulation of mission will enhance each trustee's sense of empowerment.

The Honor of Board Membership Versus the Hard Work of Governance

Traditionally, board membership carries prestige and honor. In fact, the responsibility is great, and the work load, especially at institutions in crisis, can be heavy. Difficult decisions that require taking a critical stance vis-a-vis colleagues on the board or in administration can cause unanticipated anguish--and often are avoided for far too long.

Since the board information system is designed to ensure that critical issues are systematically reported upon, it is far more likely the board will deal with such issues rather than avoid them.

Representational Obligations Versus Institutional Responsibilities

Many individuals join boards specifically to represent the interests of a sponsor or other constituency. Over time, the effective board must collectively adopt a perspective that considers the institution being governed as its primary focus. There are times when these differing obligations can strain board cohesiveness.

By definition, a board information system gives primary focus to the institution--its mission and strategy. Reliance on the system can thus enforce a common board vision to counteract tendencies toward fragmentation.

The CEO's Independent Boss Versus His or Her Dependent Partner

Most boards have a responsibility if not to select the CEO then at least to evaluate periodically that individual's performance. At the same time, the board is highly dependent on the CEO to keep it informed as to institutional performance. The board is both independent and dependent--"boss" and "partner."

A well-designed information system can serve as a buffer between the board and administration that takes institutional performance monitoring out of the realm of the ad hoc, political, and anecdotal and makes it more predictable, thereby fostering greater collegiality within the board and between the board and the CEO.

2. Information is a critical tool for board success

Despite the significance of their ultimate responsibility and legal status, boards of trustees often find themselves in an organizationally weak or dependent position. Consider the odds they face. As has been noted, boards are empowered to act only when they meet and a quorum is present. Typically, their members have full-time professional commitments outside the institutions they govern. And in most cases, they have limited staff support. As a result, most boards do not have anything approaching the degree of organizational presence and continuity enjoyed by other constituencies of the institution. To balance these factors in an operational sense, boards have a limited set of tools at their disposal:

Member Skills--the particular capabilities and experience of members when they join the board and as they are developed and enhanced over time.

Structure--the size and composition of the board and its committees and the number of such committees and their charters.

Agendas--the process of selecting particular issues to be addressed by the board during its meetings--who decides, and how, what matters are considered and voted upon.

Information--the formal and informal flows of quantitative data and other information about the institution's performance and the environment in which it exists.

To maintain that any one of these tools is more critical than the others is an oversimplification. Careful attention should be paid to each to ensure that, taken together, they make the board as effective as possible in fulfilling its governance responsibilities. Committee structures, bylaws, and agenda plans can, at best, provide a workable governance framework. It takes dedicated, talented trustees armed with meaningful information, however, to make an effective board. Of course, even the most dedicated trustee can be hampered by inadequate information.

3. Information for board use often is inadequate.

Recognizing the importance of information for the board and understanding the special requirements boards have in terms of the information they receive, a number of inadequacies in the way many boards receive and use information can be readily identified:

Administrative Versus Governance Perspective

Governance requires consideration of values adherence, mission responsiveness, institutional liability, fiduciary integrity, environmental trends, opportunities for interinstitutional collaboration, and the needs of sponsors and other publics--all to a greater degree than does the administrative perspective. Information for the board that is merely a subset of the management-information system tends to underplay or totally ignore these concerns.

Lack of Strategic Relevance

Strategic issues impact the long-term viability of the institution in terms of mission and financial performance. Information, however interesting, that fails to highlight such issues diffuses the board's proper focus.

Data Overload

Information often is provided in indigestible quantities that require more time and expertise than anyone can apply. This can create an illusion of keeping the board informed--a situation that all too often serves the interests of a controlling president and/or a board unwilling to discover what the data truly mean.

Inappropriate Levels of Detail

Whether in large or small quantity, data can be presented at too fine a level of detail. This can lead to a tendency for the board to micromanage the institution. The opposite extreme also may pose problems. Overuse of global trend information unlinked to the institution's mission or strategic situation provides "knowledge" but at the expense of true understanding.

Individual Trustee Versus Whole Board Education

Providing specialized or detailed information to selected board members (including trips to conferences) can serve a valid purpose but does not expand the whole board's core knowledge base. Only the whole board is empowered to act on behalf of the institution.

Unresponsive to Trustee Time Constraints

The special need for boards to use their time efficiently is not served through information flows that are excessive, too detailed, and/or tangential to governance concerns. Using nongraphic formats or presentation techniques that make rapid understanding difficult also contributes to the misuse of board time.

Reliance on the Anecdotal and Episodic

In the absence of predetermined and objective performance indicators agreed to by both board and administration, there can be a tendency for hearsay and inconsistently derived "facts" to surface that then require inordinate time and energy to substantiate or refute.

Inadequate Guidance for Action

Information is valuable only to the extent that it can be used to benefit the institution. When actual performance data are reported without reference to predetermined standards of appropriate performance or to performance in previous periods or comparable settings, board members will have insufficient information upon which to base corrective action.

What Kind of Information System is Needed?

Board information system characteristics aimed at correcting the aforementioned inadequacies can provide the

board of trustees with a powerful resource. Such systems should be rationally designed interrelated sets of reports (both quantitative and narrative) that meet the board's special governance needs. Such systems should respond to the unique aspects of the board's organizational role and operational dynamics by displaying the following five characteristics:

1. Sensitive to Values/Mission
2. Focused on Strategic Issues
3. Selectively Structured
4. Using Norms and Comparative Data
5. Graphically Displayed

1. Sensitive to Values/Mission

It is easy to pay lip service to words like "values," "mission," and "philosophy." After all, who would not be for sensitivity to values and mission in all things related to a seminary? The problem lies not in gaining acceptance to the notion of mission sensitivity; most boards instinctively understand its importance. The problem is how to incorporate values and mission considerations in the operational life of the board and, more specifically, in the reports and other mechanisms that comprise the board's information system. How do you make these words come alive?

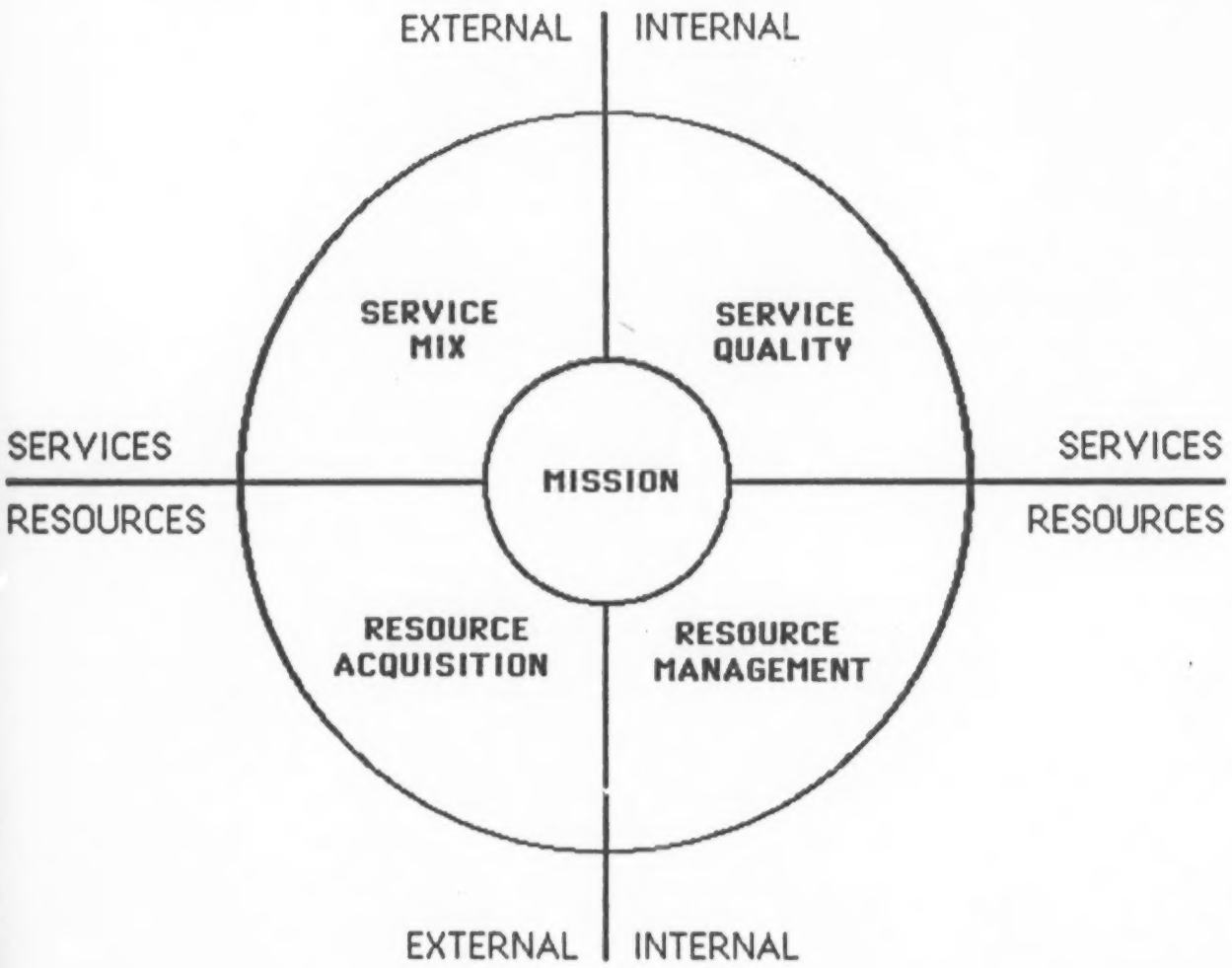
One way to approach this task is to adopt a particular view of the board in relation to the institution it "holds in trust." The board of any institution--whether it is a charitable agency, a hospital, a symphony orchestra, or a theological seminary--must be concerned with both the <u>services</u> provided and the <u>resources</u> required to provide them (Figure 1). Moreover, a board must consider these services and resources from two perspectives--one external to the institution and the other internal.

Externally, the board must understand how the institution relates to the world being served (its "publics") and the world from which resources are being sought. Internally, it must deal with how the institution produces its services and uses its resources. Above all, the board must be sensitive to how institutional mission and values affect these other areas. Viewed this way, there are five general categories of information every board needs to respond to basic governance questions:

<u>Service Mix</u>--In responding to the needs of our publics, are we providing an <u>appropriate</u> mix of services? Are we meeting their needs?

Figure 1

CATEGORIES OF
BOARD INFORMATION



Service Quality--Are we providing these services at a level of quality acceptable to our publics and ourselves?

Resource Acquisition--How effectively are we able to acquire the human and financial resources we need?

Resource Management--Are we managing these resources with proper stewardship? Are we efficient in our use of financial resources and fair in dealings with our own people?

Institutional Mission--What is our purpose in the world? Who do we serve, and why and how? And, with regard to the above questions concerning services and resources: Who are our "publics?" What do we believe is "appropriate," "acceptable," "effective," and "proper?"

In other words, central to all of this is mission. It is impossible to make value judgements about any of the other categories of information without material that enables the board to continually review and improve its understanding of historical tradition, institutional values, philosophy, mission, and culture.

How would this approach work in practice? How would institutional values and mission influence the way a board thinks about its information needs? Consider the following examples:

Service Mix--A seminary's mission that emphasizes "preparation for ordained ministry" may require careful monitoring of trends in society and within traditional constituencies that encourage lay ministry and the impact of those trends on applications and enrollments.

Service Quality--A mission that stresses the "highest standards of scholarship" may require monitoring and evaluation of the scholarly research output of the faculty and its perceived value in the academic community.

Resource Acquisition--Commitment to "reaching out to the underprivileged" may require that the institution pay special attention to fund-raising for scholarships and other forms of student support.

Resource Management--The "value of human dignity" may clarify the need for periodic assessment of student, faculty, and staff attitudes toward the institution and how it treats them.

As these examples suggest, the board's understanding of institutional mission and values creates a set of

predispositions and sensitivites that are like a spotlight shining across a vast information landscape, settling on particular strategic issues for special attention and closer scrutiny. The signals sent by the board when aiming the spotlight in certain directions as opposed to others can be powerful in themselves in guiding the institution toward its mission objectives.

2. Focused on Strategic Issues

What <u>are</u> "strategic" issues? The notion of strategy can be made more complicated than it needs to be. The literature on this subject offers the following definitions that help to clarify it for purposes of this discussion:

> <u>"Strategic issues</u> are...associated with effectiveness in...the few areas that are critical to the success of the institution. The key...for most organizations is to focus their most limited resources--the time of trustees and top administrators--on those issues that really make the difference between success and failure." (3, p. 139)

> "The process of <u>strategic analysis</u> raises and helps answer key questions about an institution's performance and condition. How does it compare with similar institutions? Why is it thriving--or faltering? For trustees, who carry overall responsibility for the long-term vitality of colleges and universities, strategic analysis offers an ideal way to monitor the institutions they serve.

> "The questions raised through strategic analysis are similar for most colleges and universities. They involve enrollment patterns, instruction, research, tuition trends, financial aid, fund-raising, faculty and staff, plant and debt, finances, endowment management, and student services. The strategic significance of these questions, however, varies according to an institution's type and mission. Questions about research, for example, are critical for research and doctoral universities, as well as for many comprehensive and free-standing graduate institutions...financial aid, though important to all institutions, is a crucial factor for private institutions with small endowments." (5, p.139)

Theological seminaries have their own mix of strategic concerns. Many of these will be the same as for all American institutions of higher education. Some strategic issues are unique to seminaries. Yet even among seminaries, the mix of

issues is likely to vary, depending upon such factors as size, location, denomination, and financial condition.

To provide a sense of the kinds of issues that may have strategic consequence for seminaries, here are examples cited in the leading literature on the topic and mentioned in discussions with people knowledgeable in the field. This is by no means a comprehensive list of such issues:

Service Mix

1. Implications of decreasing applicant pool and enrollments
   a. Pressure to diversify into new curricular offerings and vocational training options (e.g., the rise in clinical pastoral education)
   b. Increased need to incorporate adult learning in the curriculum to accommodate older students

2. Implications of decreased interest in the ordained ministry as a vocation; increased interest in lay ministry
   a. Identifying sources of funding for lay ministry training
   b. Dealing with competition from secular educational institutions in training the laity; and from church-sponsored pastoral centers
   c. Affiliating with secular universities to protect fiscal viability; implications of this for maintaining theological integrity and institutional autonomy
   d. Maintaining the support of traditional seminary constituencies while broadening mission away from ordination

3. Coping with greater student lifestyle diversity (e.g., homosexuality) and cross-cultural interests (e.g., study of Eastern religious traditions)

4. Role of the seminary in the continuing formation of ministers/priests/rabbis and as centers for spiritual renewal, reflection, and prayer

5. Implications of increasing numbers of women seminarians for (a) offsetting erosion in academic selectivity and (b) ensuring meaningful vocational "field placement" in the face of conservative constituencies

Service Quality

6. Pressure to reduce selectivity and academic standards as a consequence of the decreasing applicant pool and waning interest in the ordained ministry

7. Implications for the quality of theological research, the volume of scholarly output, and the climate of free academic inquiry posed by having productive but controversial faculty drawn away to secular universities

8. Responsibility of the seminary for increasing the spiritual dimension in the curriculum and in faculty and student life.

Resource Acquisition

9. Fund-raising within constraints imposed by sponsors and the often limited capacity of alumni

10. Balancing the seminary's traditional heavy dependence on tuition with a need to keep rates low enough to attract the best applicants and to reach out to minorities and the poor

Resource Management

11. Aging physical plants and a lack of capital for rebuilding and maintenance

a. Finding alternative uses and/or sources of support for the rich legacy of architecturally and symbolically valuable (but expensive to maintain) facilities, such as churches and chapels

When the board of trustees, along with the seminary president and administrative staff, has compiled the set of strategic issues deemed most relevant to the institution, the question arises of how to translate a concern about any one of these issues into a means of assessing the institution's effectiveness, performance, or status in relation to that issue. How can specific elements in the board's information system be designed to monitor and report on these strategic issues?

The approach recommended in Strategic Decision Making: Key Questions and Indicators for Trustees (3), published by the Association of Governing Boards of Universities and Colleges (AGB), is to define a set of "indicators" in each of ten "critical decision areas" for strategic decision making. Appendix A lists these decision areas and the strategic issues that fall within them.

The process of translating concern about a strategic issue into an information system indicator can be illustrated by considering a subset of the strategic issues cited earlier. Assume that the seminary board is motivated

by the mission concerns used in the earlier example--for example, to emphasize ordained ministry and to insist upon high standards of scholarship. The board may shine its mission spotlight on these strategic issues:

--Implications of a decreasing applicant pool and enrollments
--Implications of decreased interest in the ordained ministry as a vocation and increased interest in lay ministry
--Pressure to reduce selectivity and academic standards as a consequence of a decreasing applicant pool and waning interest in the ordained ministry

To understand better how these issues affect the seminary, the board may consider any number of possible indicators. For example, the AGB text suggests the indicators shown in Figure 2. Listed are several ways the board can get a handle on the interplay between a decreasing applicant pool and the pressure to decrease selectivity. Board members may wish to use a combination of different types of indicators--some quantitative (popularity and admission drawing-power indices) and some qualitative (surveys and image studies). The precise number and combination of indicators that will ensure effective monitoring of any particular issue will vary with each board's level of concern and (as is discussed below) the institution's capacity to produce or access the requisite information.

3. Selectively Structured

The information system can be structured so that reports to the full board highlight only those indicators needed to reflect global institutional performance of a strategic nature. At the same time, it can provide access to the underlying information base for more detailed information--for example, for board committee use or when strategic indicators alert the board to a possible problem or opportunity. What the full board receives on a routine basis, in other words, would be selective in the sense that it is really the tip of an information iceberg extending to the committees and subcommittees. Ever greater levels of detail would be available to these subsidiary components of board structure. The linkage between levels is made via an agenda-setting process in which the subcommittee, committee, and full-board meeting calendars for the year are coordinated in such a way that certain topics can work their way up the agenda ladder to the full board at preset points during the year.

Figure 2

EXAMPLES OF KEY TRENDS AND INDICATORS

Enrollment

Strategic Issue #11: **Influencing the selectivity of the institution**

QUESTIONS	KEY TRENDS AND INDICATORS
What is the image of the institution?	• Self-selection among applicants
How popular is the institution among potential students?	• Popularity Index (number of applicants per matriculating freshman or transfer)
How strong is the drawing power of the institution on students who have applied?	• Admissions Drawing Power Index (matriculants as a percent of admitted freshmen and transfers)
	• Surveys of students who decline admission
How successful is the institution in retaining students through graduation?	• Retention Index (percent of freshmen who graduate)
What would be the impact on the applicant pool of changing student selectivity?	• Projected number of qualified applicants based on SAT or ACT cutoff scores
What would be the impact on incoming student quality of more (or fewer) matriculants?	• Projected SATs or ACTs of students based on different enrollments
Will the image of the institution help or hinder the recruitment of desired students?	• Image studies among potential and random students
How effective are the institution's recruitment materials and plans in stimulating applications and matriculations?	• Communications audits of recruitment materials and plans

Source: Frances, Huxel, Meyerson and Park. *Strategic Decision Making: Key Questions and Indicators for Trustees.* Washington, D.C.: Association of Governing Boards of Universities and Colleges, 1987.

For example, the board can lay out an agenda plan for the year with specific meetings designated to highlight specific issue areas. By allocating each area to particular board committees, they can, in turn, determine their own agenda plans (and associated information needs) to mesh with the board's overall plan. Figure 3 illustrates this multilevel flow of information over the course of a calendar year. In this example, quarterly board meetings focus successively on each of the four categories of board information presented earlier--Service Mix, Service Quality, Resource Acquisition, and Resource Management. (Many seminary boards meet only three times a year and would therefore need to adopt a somewhat different agenda plan.)

The full board continues to receive a complete set of routine reports covering all categories (plus Mission) at each board meeting but is exposed to greater depth of information in these predesignated areas, as illustrated. Such additional detail is developed by the appropriate board committees in accordance with their own agenda plans. Thus, for example, the Student Affairs and Academic Affairs Committees complete their information reviews in time to make a report at the board meeting that features "service quality." The Finance and Investment Committees would orchestrate their work to dovetail with the board's "resource acquistion" meeting.

Naturally it is not possible to anticipate a year in advance all issues that the full board will need to address. Meeting agendas can be structured to allow for staff presentations at any time around nonroutine but otherwise significant issues that require policy setting by the board.

4. Using Norms and Comparative Data

Data describing seminary operations--whether they are about enrollment, financial performance, student test scores, faculty salaries, alumni vocations, and so forth--gain meaning when presented <u>comparatively</u>. Several types of comparisons are available:

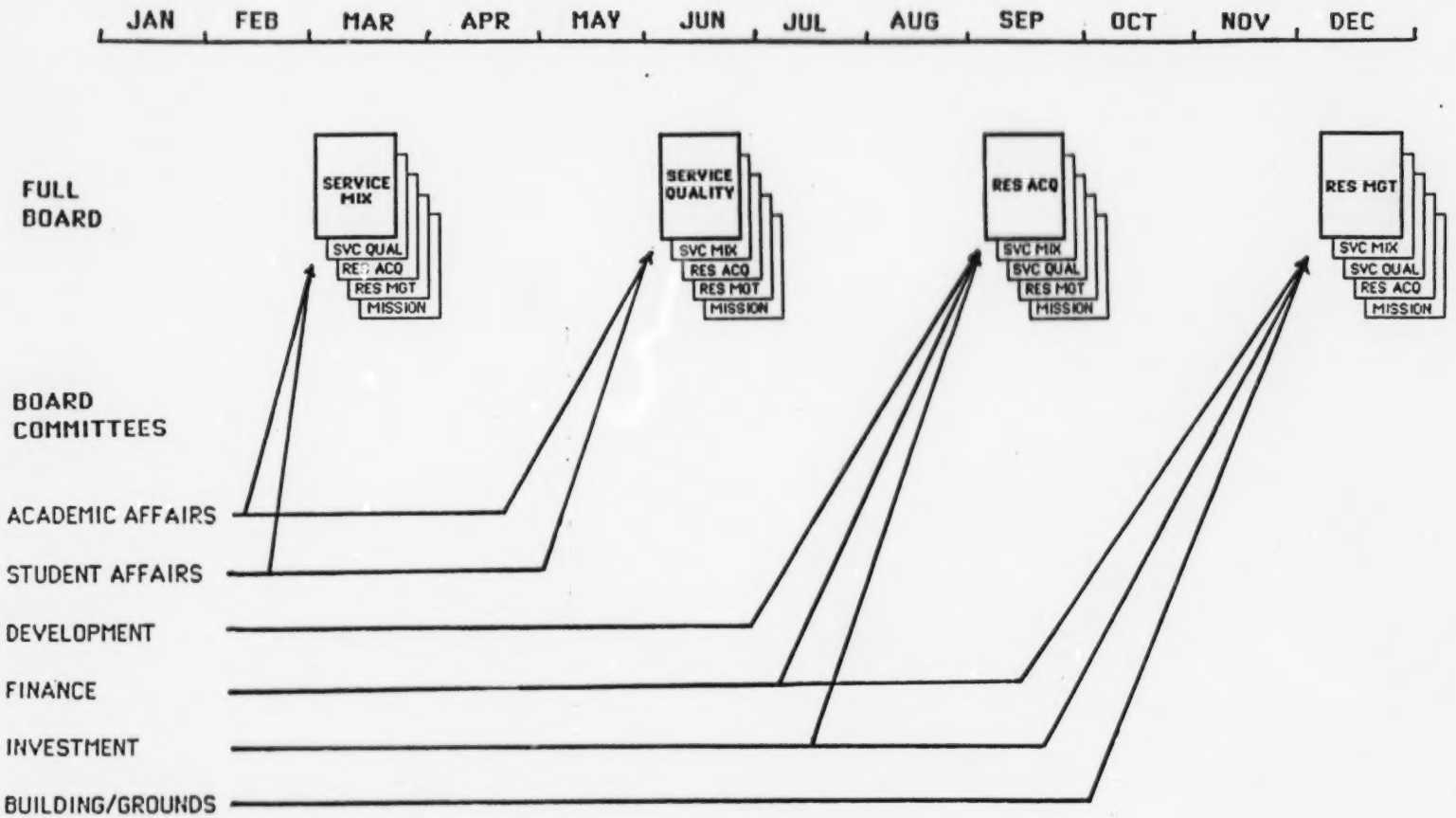
<u>Trends</u>--this year's results versus the last five-to-ten years'

<u>Goals and Objectives</u>--actual performance versus budget or preestablished targets

<u>Market and Peers</u>--how the seminary is doing in a particular area versus (a) other institutions that compete for students, research dollars, or some other resource or

Figure 3

INFORMATION FLOWS BETWEEN BOARD AND COMMITTEES



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(b) other institutions that share similar characteristics such as size or denominational sponsorship (In this connection, the reader is referred to Strategic Analysis: Using Comparative Data to Understand Your Institution (5), which presents comparative information on some 50 strategic indicators in nine critical decision areas for more than 500 higher education institutions, including theological seminaries.)

Norms--the seminary's performance (e.g., a financial ratio) versus the norm or standard for higher education in general or for seminaries of a particular type or size

The very exercise of setting such comparative or normative standards requires the board to think through what it considers an appropriate level of "good" or "bad" performance. In doing this, the board must look for guidance to its mission, values, and strategic concerns. For example: A value stressing "stewardship" might call for heightened concern about cost containment as a strategic issue. This concern might cause the board to focus on, among other things, the management of accounts receivable and, more specifically, a reduction in the collection period. Selecting an indicator such as "A/R Days" in itself serves the board's needs. But specifying a norm or "performance standard" of 60 days as opposed to 90 days goes further and more explicitly reflects the board's concern, thus enabling the board to more readily interpret whether the reported performance is "good" or "bad."

5. Graphically Displayed

Employing certain basic graphic display techniques can go a long way toward making otherwise dense statistical reports comprehensible, dramatic, and powerful. Through the use of graphics, large amounts of information can be conveyed in ways that assist the board in understanding key issues and trends and in taking appropriate action.

In The Visual Display of Quantitative Information (6), widely considered the best book written on the subject, Edward Tufte makes the following points about "graphic excellence":

> "Excellence in statistical graphics consists of complex ideas communicated with clarity, precision, and efficiency. Graphical displays should
> --show the data
> --induce the viewer to think about the substance rather than about methodology, graphic design, the technology of graphic production, or something else

avoid distorting what the data have to say...
--make large data sets coherent
--encourage the eye to compare different pieces of data...."

Tufte goes on to stress that graphic display does not necessarily mean loss of data detail. The most effective displays pack a huge amount of data into relatively simple formats. Figure 4 illustrates how a graphic display can reduce a large amount of information into a form that significantly increases its communicative power. Several of the indicators suggested in Figure 2--for example, the several indices of popularity, admissions drawing power and retention--have been combined in a graphic display that simultaneously presents: (a) the size of the M. Div. applicant pool, (b) numbers of applicants accepted, (c) matriculants, and (d) students completing each of three years through graduation. This pattern of attrition is displayed for the currently enrolled student body, the most recent class of graduates, and the previous class.

We all are familiar with graphic display techniques such as line charts, bar graphs, pie charts, and data maps. The board should consider how data it now receives in undifferentiated, tabular form might be converted into one or more of these more powerful graphic displays. Given the availability of inexpensive graphics-software packages, displays that once were time-consuming can be produced at the touch of a keyboard.

Two rather simple techniques the board may wish to consider require no conversion of data into special graphic formats, and yet they reduce the time it takes to focus on key points:

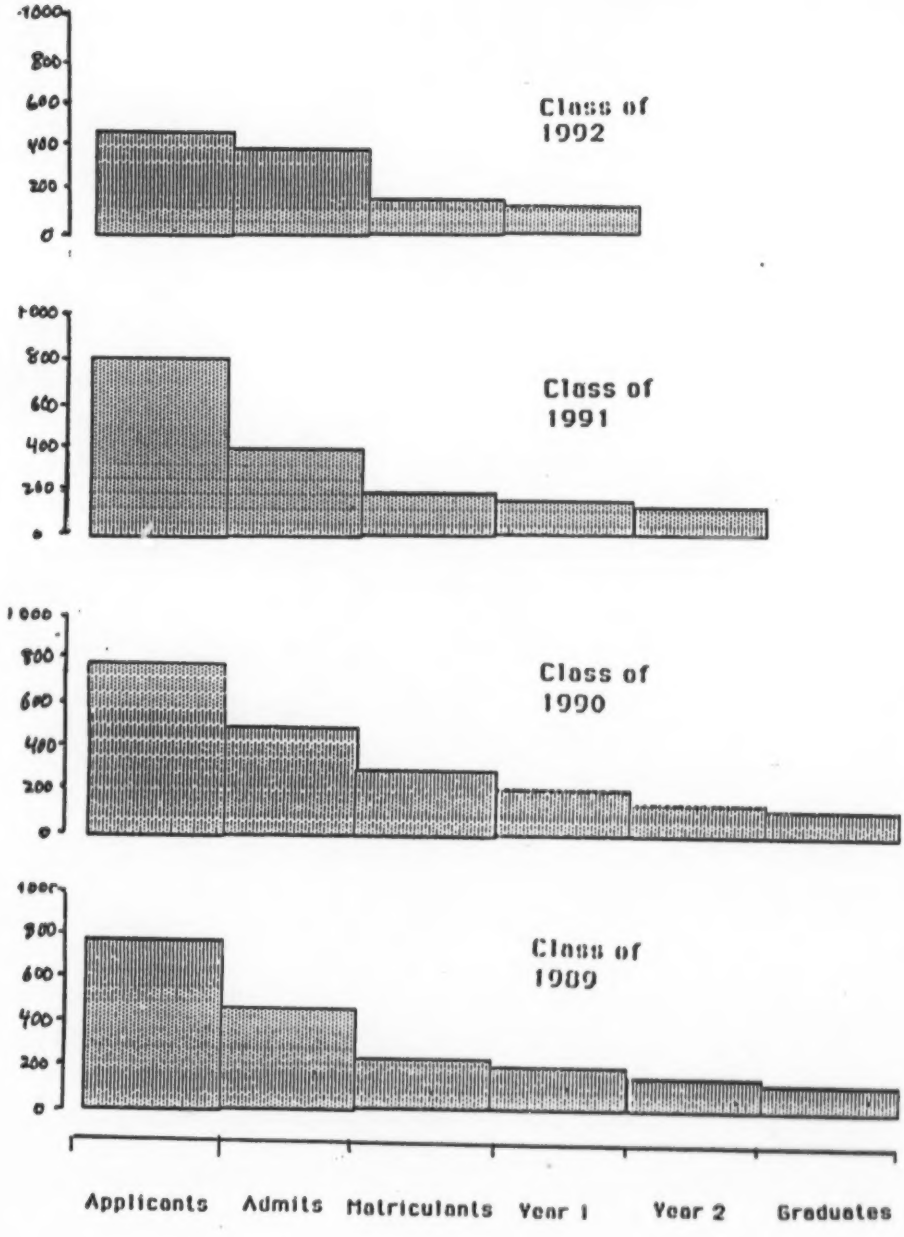
Highlighting--Certain key figures or data elements in a standard tabular report can be highlighted via a box, a different color, or a halftone overlay, thereby drawing the viewer's eye more quickly to the pertinent information. This is particularly useful with financial statements that may need to retain their traditional formats.

Warning Light and Exception Reports--By specifying in advance the range of outcomes the board considers acceptable and the point at which it wants to be alerted to a situation where performance has begun to deviate in either a positive or negative direction, a good deal of routine reporting of data can be eliminated. In its place, the board can receive a "warning light report" that provides assurance that each of several important factors is being monitored. Only when

Figure 4

STUDENT APPLICATIONS,
MATRICULATIONS AND ATTRITION

M.Div. Degree



performance has exceeded a specified threshold, however, will the "light" come on and the actual data be reported (on an exception basis) along with an explanation of what has happened.

For example, routine suveys of student, faculty, or staff satisfaction might be presented in a warning-light format to the full board, while the supporting detail is provided to the relevant board committees.

How Should a Board Go About Improving its Information System?

There is no single scenario describing when a board of trustees is most likely to decide it might benefit from a more systematic, explicit consideration of its own internal governance processes. Similarly, there is no one set of conditions under which a board might wish to embark on a thorough examination of its information needs.

One such moment in the life of a seminary can be when a transition in institutional leadership is contemplated. With the arrival of a new seminary president, a board may want to rethink how it interrelates with administration and, as part of that process, take a hard look at the way it conducts the business of governing. The information requested and how it is used are natural focal points for such an exercise.

There need not be a major institutional transition, however, for a board at any time to undertake a review of its information needs. And although no one best way exists for a board to go about this, a series of steps can be identified that, taken together, would enable most boards to work their way successfully through the process. These steps are presented in Figure 5. The steps are as follows:

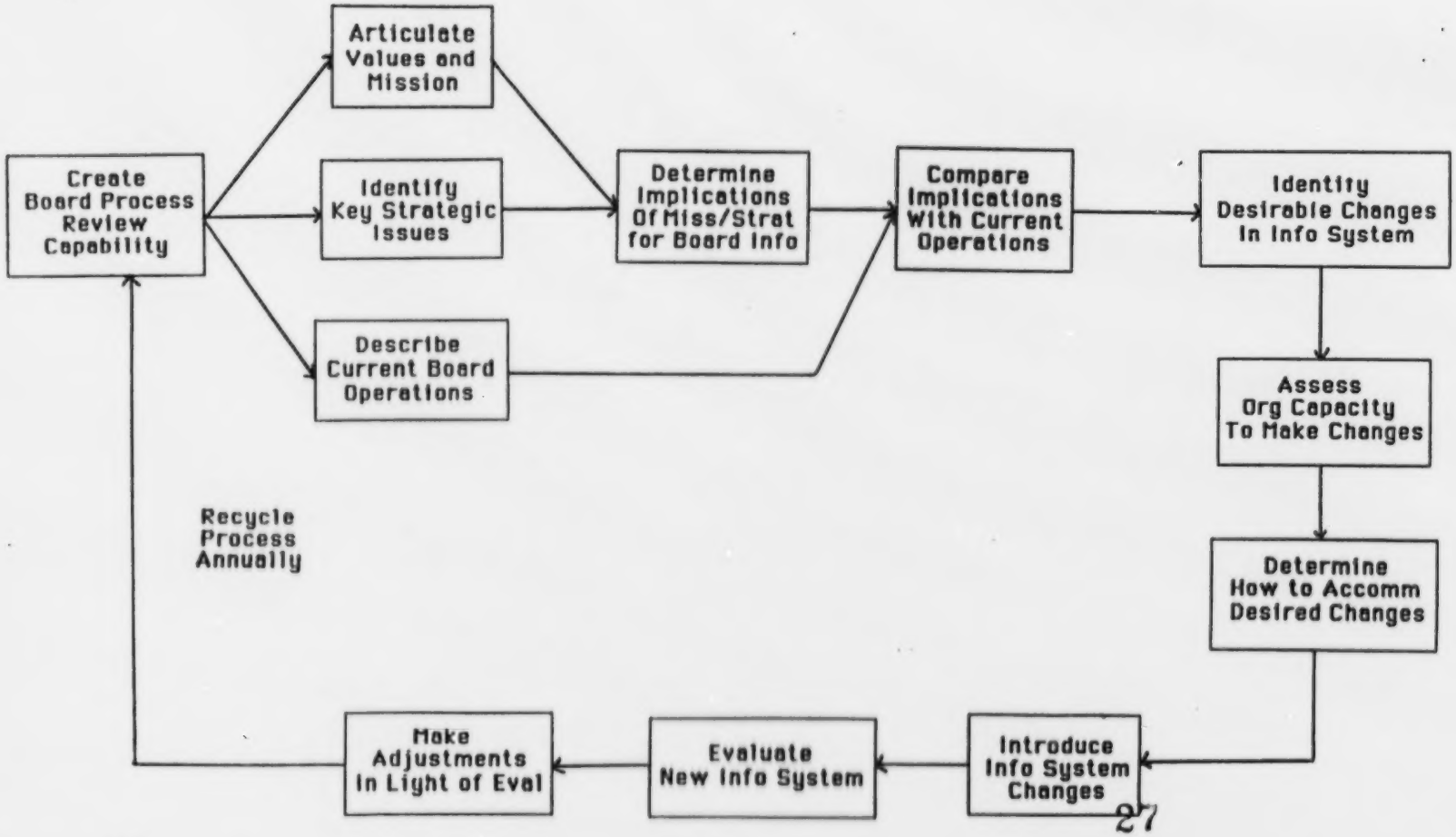
1. **Create a board process-review capability.**

For a board to sustain a high degree of introspection in the face of other demands on its time, it needs a mechanism to ensure the effort proceeds with a fair amount of diligence.

This mechanism could take the form of an Ad Hoc Task Force on Board Information composed of trustees and staff, or a standing committee of the board may take on this responsibility. Frequently, the Nominating Committee--because of its normal duties of assessing board needs in terms of member characteristics--becomes the logical entity

Figure 5

BOARD INFORMATION SYSTEM
IMPLEMENTATION TASKS


Create Board Process Review Capability
Articulate Values and Mission
Identify Key Strategic Issues
Describe Current Board Operations
Determine Implications Of Miss/Strat for Board Info
Compare Implications With Current Operations
Identity Desirable Changes In Info System
Assess Org Capacity To Make Changes
Determine How to Accomm Desired Changes
Introduce Info System Changes
Evaluate New Info System
Make Adjustments In Light of Eval
Recycle Process Annually

to consider board information needs. A new standing committee might be established--often referred to as a Committee on Trusteeship--that on an ongoing basis would evaluate and make recommendations to the full board on the effectiveness of its internal governance process. This would include consideration of all operational "tools" noted earlier--member skills, structure, agendas, and information.

Whatever mechanism is selected, this group (appropriately supported by administrative staff) would be responsible for maintaining momentum on board-information enhancement. The full board and the administrative leadership would look to this group for guidance and process facilitation.

2. Articulate institutional values and mission.

Three tasks can proceed simultaneously under the auspices of the task force or committee overseeing this effort, as shown in Figure 5. These tasks are the articulation of institutional mission and values, the identification of key strategic issues, and the description of current board operations. The first of these tasks refers to that set of issues focused on earlier in discussing the values and mission-sensitive characteristics of information systems.

This task might be thought of as "institutional soul-searching"--an exploration at the most profound level of the institution's reasons for being. Theological seminaries by their nature are rich in spiritual legacy. Boards of trustees have a special obligation to draw upon these primal sources of inspiration and commitment as a way of continually energizing their institutions.

The means by which the board explores this realm of values and mission may vary. One set of techniques is called "depth education." An approach originally developed with support from the Lilly Endowment around the late Robert Greenleaf's philosophy of "servant leadership," depth education consists of guided discussions and exercises carried out by the board, often with the assistance of an outside mentor or facilitator. During the course of one or more retreats, the board focuses on its history, traditions, and publics as well as the values and philosophy of founders and denominational sponsors. The institution's mythological and symbolic underpinnings are identified through timelines and sharing personal and institutional stories. "Visioning" exercises further articulate the future manifestations of historical mission and traditional belief.

Searching the institutional soul for what it has to say about the seminary's purposes in the world is the board's unique contribution to the information-enhancement process. At the same time, the administrative leadership and representatives of other key constituencies such as faculty, students, and alumni can be drawn into the soul-searching process through participation in retreats, focus-group discussions, and surveys.

3. Identify key strategic issues.

By the same token, the administration should assist the board in identifying key strategic issues. The board's task should be to review the strategic plan or, in the absence of such a plan, the administration's assessment of the strategic issues facing the institution over the next three to five years. This review should seek to answer the question: What issues in each of the four quadrants described earlier--service mix, service quality, resource acquisition, and resource management--have a critical bearing on the institution's success over this time period?

4. Describe the board's current operating characteristics and information-processing mechanisms.

At the same time that the board is engaged in identifying key mission and strategy issues, an effort should be underway to describe how the board currently receives its information, the content of routine reports, their frequency and format, and the operational context in which they are presented. That is: What is the committee structure? What information does each board committee receive, as distinct from the full board? How frequently do the committees and the full board meet? How are meeting agendas set? How much time is routinely devoted to various categories of information? These elements, taken together, represent the operational context, and all of them should be included in a description of the current system.

5. Determine the implications of mission and strategy for board information.

Features the board has determined are essential to the seminary's mission and strategy now must be translated into a set of implications for the kinds of information the board wishes to receive. As noted in discussing information-system characteristics, each item of information presented to the board--either the full board or one of its committees--represents a potential drain on the board's time. Unless its relevance to mission and/or strategy can be established, it may be dispensed with or the frequency of its presentation

reduced. The board should ask itself: What pieces of information must we <u>really</u> know to be sure we are achieving our mission and effectively pursuing our strategy?

6. Compare these implications with the current system characteristics.

The list of items that emerges in response to the foregoing question should then be compared with the inventory of items already compiled in describing the current system. This comparison would reveal gaps in the existing information. Just as important, the extent of information overload also may become apparent. The sheer volume of data--narrative as well as quantitative--that contributes only marginally, if at all, to a better understanding of the institution's mission/strategy performance may become painfully apparent at this stage.

7. Identify desirable changes in the information system.

The board now should be prepared to fill the gaps in its knowledge base and to trim those areas where data may have proliferated with no commensurate increase in essential information. The board also should be prepared to specify how often a particular item of information is reported, to whom it is reported (subcommittee, committee, or full board), and in what format. These specifications represent at this stage a statement of the ideal--what the board would prefer to see in the way of changes to its information resource.

Unless the board's present system is woefully inadequate, it is unlikely the list of specified changes will amount to a complete scrapping of that system. The board should, however, not be reticent at this point to indicate what it would prefer in an ideal system, if such a system could be created.

8. Analyze the organization's capacity to make these changes.

In the face of this statement of the ideal, the board then should consider what the organization is capable of producing. After all, each data element must have a source and must be collected and arrayed in a format. Can the desired changes be made without inordinate additional expenditure of staff time and expense? On the other hand, can savings that might accrue as the result of curtailing the collection and reporting of less useful data be counted on to offset the additional investment required to generate more meaningful information?

9. Determine how desired changes can be accommodated in light of organizational capacity.

Conceivably, a specific piece of information that is currently lacking may be deemed so vital that, despite the difficulty in acquiring and reporting it, the board may insist on its collection (for example, data required for accreditation purposes).

More typically, though, there is room to maneuver. It may be possible to adopt a policy of successive refinement so that the ideal is approached over time with minimal initial change or incremental investment. Returning to the example of strategic indicators (Figure 2), the board may desire a better sense of why those candidates who have declined admission chose to do so. The board's conception of an ideal response to this information need might well be to have a report on 100 percent of the declining candidates. But soliciting such information may require more staff time than would be reasonable within the available budget. Thus, a sampling approach might be attempted as a way to get at this critical piece of information, at least initially. Perhaps, over time, other methods might be devised that enable more comprehensive follow-up.

What are the implications of all this for computerization? None of the ideas proposed in this paper requires a sophisticated data-processing capability. Seminaries with limited computer resources need not feel an enhanced board-information system such as has been described is beyond their grasp. In fact, the very process of focusing on what the board really needs to know actually may result in a reduction in the data load. Less data--but more information! However, given the widespread availability of desktop computers and low-cost database-management and graphics software, it should not be beyond the means of most seminaries to generate quickly and economically the kinds of graphically powerful reports envisioned by the proposed information system.

Perhaps the best rule to offer is that the board should first identify what it needs to know and, ideally, with what frequency and in what formats. Then the issue is to determine how close to that ideal the system can come without incurring significant additional investment in either staff time or computer hardware or software. The chances are very good that the board will find it is able to afford something much closer to the ideal system than it might have thought possible.

10. Introduce these changes in the board's information system.

Changes that are deemed necessary and reasonable should then be incorporated into the board's information system. These changes can be phased in, of course. In fact, there may be considerable value in not introducing more changes at any one time than the board is able to absorb. Enough time should be allowed so that each new piece of information or each new component of the system can be properly integrated into the larger picture of institutional performance.

11. Evaluate the new information system.

The task of monitoring the effectiveness of the board-information system as it incorporates changes should be the work of the group assigned to reviewing board processes. This continuing evaluation can be carried out at varying levels of formality. At minimum, time might be allowed at the end of regularly scheduled board meetings to solicit feedback on the utility of changes in the board's information supply, and more extensive evaluation efforts may be contemplated. Appendix B presents a list of items that can be included in such an evaluation.

12. Make adjustments in light of the evaluation.

To close the loop, the board should act upon the results of the evaluation by making additional refinements. And although the full board may not wish to repeat on an annual basis the sequence of steps outlined here, it seems appropriate for a Committee on Trusteeship to do so and to make recommendations to the full board for its consideration and action.

Conclusion

This paper seeks to make the case for specialized information systems designed specifically to meet the needs of boards of trustees of nonprofit institutions generally and theological seminaries in particular. The reader should not be misled, however. In itself, there is nothing magical about any set of reports, however well designed. Unless the messages they contain are heeded and used by the board to set seminary policy more effectively or to guide seminary administration, there is little purpose in an exercise to upgrade board information. Indeed, doing so without a real commitment to act upon such information could have negative consequences for board and administration morale.

Herein lies the real challenge to seminary boards. A commitment to improve the board's information is, in fact, a

commitment by the board to engage itself fully--not just once, but on a continuing basis--with the entire spectrum of mission and strategy-related issues that arise in the life of the institution. A commitment to better information is a commitment to fully empowered trusteeship with all of its awesome responsibilities and profound rewards.

Appendix A
The AGB Strategic Decision Making Framework

AGB's Strategic Decision Making: Key Questions and Indicators for Trustees provides a generic framework of critical decision areas and strategic issues. They areas follows:

I. Financial Affairs

Financial Performance
1. Assurance of sound financial management
2. Positive financial performance
3. Balanced sources of revenue
4. Balanced expenditures

Financial Condition
5. Increase of institutional assets
6. Prudent use of debt as leverage for needed assets
7. Maintenance of strong financial condition

Endowment Management
8. Increasing total return on endowment
9. Allocating return on endowment between current and future needs

II. Enrollment

Enrollment Planning
10. Choosing the optimum size of enrollment
11. Influencing the selectivity of the institution

Tuition Pricing
12. Setting the right price for tuition

Student Financial Aid
13. Maximum leverage of financial aid to achieve targeted student mix and desired selectivity

III. Institutional Advancement

Development and Fund-Raising Programs
14. Sustaining the fund-raising effort
15. Managing development activities

16. Launching a capital campaign
17. Ensuring the development program supports the long-term needs of the institution's financial plans

Institutional Image and Communications

18. Maintaining the support of constituents

IV. Human Resources

Faculty and Staff

19. Providing adequate support for faculty and staff
20. Hiring and retaining the right faculty and staff
21. Maintaining equitable personnel policies and procedures

Governance, Management, and Morale

22. Participation in decision making
23. Efficiency and effectiveness of management practices

Affirmative Action

24. Maintaining a healthy mix of faculty, staff and students

V. Academic Activities

Instruction

25. A viable mix of academic programs
26. Assurance of high-quality instruction
27. Approval of new programs
28. Discontinuance of existing programs

Research

29. Appropriate balance between instruction and research

Public Service

30. Appropriate public-service activities

Academic Support Services

31. Adequacy of learning resources and computer support

VI. Student Affairs

Student Services

32. Quality of student life

Student Activities

33. Responsible expenditures of student-activity fees

VII. Intercollegiate Athletics

Funding and Quality of Athletic Programs

34. Self-sufficiency of athletics
35. Enhancement of institutional image and visibility through athletics

VIII. Physical Plant and Equipment

Physical Plant

36. Adequate and timely maintenance and renovation of the physical plant
37. Allocation of space
38. Controlling physical plant costs

Equipment

39. Effective management of equipment

IX. Auxiliary Activities

Auxiliary Services

40. Adequacy of administrative support services set up as auxiliaries

Auxiliary Enterprises

41. Use of auxiliary enterprises as sources of revenue

X. Institutional Mission

Mission

42. Responsiveness of the mission to change in the external environment

Appendix B
Evaluation of Board Information Systems

The process of board information system design should not be viewed as a one-time exercise. An important part of the board's work is constantly to discern ways to refine the system. All of its governance tools--trustee skills, board structure, the agenda-setting process, and information--should be evaluated at least annually to determine how well they are serving the board's needs.

Before making any changes in the content or process of the board's information, conduct a baseline assessment of the existing information flow and the reporting system against which to evaluate the situation a year later.

In making this evaluation, a variety of objective and subjective measures can be used. These can include but need not be limited to the following:

Objective

Using a review of minutes, compilation of special logs, and the observations of a designated "process observer," it is possible to measure how the board actually has performed in terms of the following:

--members' attendance
--meeting time allocation among agenda items
--follow-up on issues carried over from one meeting to the next
--completion of agenda items and efficiency in coming to closure on those that are critical (as defined by the board)
--frequency and approach to ad hoc requests for data from administrative staff; follow-up on those requests

Subjective

Through survey instruments and interviews, board members can provide their own impressions. They can provide their opinions of the effectiveness of the new information system, compared with the old approach in terms of the following:

--clarifying institutional mission via explicit consideration of history, tradition, internal culture, needs of various publics, visions for the future, and so forth

--highlighting needed information
--facilitating strategic decision making and policy setting
--efficiently using their time
--producing more detailed information, as needed
--alerting the board to problems in a timely fashion
--enhancing board understanding of environmental trends affecting institutional strategy and performance
--conveying information comprehensibly through graphic displays and other formats
--building cohesiveness within the board
--enhancing the board's sense of efficacy and empowerment
--maintaining appropriate boundaries between governance and administration
--fostering collegiality with the CEO

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